

SERVICE DATE – APRIL 4, 2019

SURFACE TRANSPORTATION BOARD

DECISION

Docket No. AB 570 (Sub-No. 4X)

PALOUSE RIVER & COULEE CITY RAILROAD, LLC—DISCONTINUANCE OF  
SERVICE EXEMPTION—IN WALLA WALLA COUNTY, WASH., AND UMATILLA  
COUNTY, OR.

Decided: April 3, 2019

On December 20, 2018, Palouse River & Coulee City Railroad, LLC (PCC), filed a petition under 49 U.S.C. § 10502 for exemption from 49 U.S.C. § 10903 to discontinue rail service over two leased rail lines totaling approximately 55.56 miles that are owned by Union Pacific Railroad Company (UP) in Walla Walla County, Wash., and Umatilla County, Or. (collectively, the Line). The Line is located between: (1) milepost 3.76, at Zangar Jct., Wash., and milepost 33.0, at Walla Walla, Wash.; and (2) milepost 46.80, at Walla Walla, and milepost 20.48, at Weston, Or. Notice of the exemption proceeding was served and published in the Federal Register on February 7, 2019 (84 Fed. Reg. 2658).

On March 20, 2019, CWW, LLC (CWW) filed a verified notice of exemption under 49 C.F.R. § 1150.41 to replace PCC as the operator of the Line. CWW, LLC—Change in Operator Exemption Assigning Union Pac. R.R. Lease with Interchange Commitment—Palouse River & Coulee City R.R., Docket No. FD 36276. CWW states that, pursuant to an agreement among CWW, UP, and PCC, a 1992 lease agreement<sup>1</sup> will be assigned to CWW. (CWW Verified Notice 4.) CWW states that it will provide common carrier freight service on the Line in place of PCC. (Id. at 4-5.) Furthermore, CWW states that PCC has advised CWW that it will withdraw its petition for exemption filed in this proceeding “upon the Board approving [the] proceeding [in Docket No. FD 36276] and upon CWW and UP consummating their transaction.” (Id. at 4.)

On March 29, 2019, the Board directed PCC to indicate whether it intended to file a motion to withdraw its petition for exemption, as indicated by CWW, in which case the Board would place this proceeding in abeyance pending the filing of such a motion. By letter dated

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<sup>1</sup> In 1992, Blue Mountain Railroad, Inc. (BMR), obtained authority to, among other things, lease from UP 94.3 miles of rail line, including the Line. See Blue Mountain R.R.—Lease, Acquis. & Operation Exemption—Union Pac. R.R., FD 32193 (ICC served Dec. 1, 1992). In 2000, BMR merged into PCC. See Watco Co.—Corp. Family Transaction Exemption, FD 33898 (STB served July 24, 2000).

April 1, 2019, PCC confirms that it intends to move to withdraw its petition for exemption if and when the change in operator transaction in Docket No. FD 36276 is consummated. Accordingly, this proceeding will be held in abeyance pending PCC's filing of a motion to withdraw.

It is ordered:

1. This proceeding is held in abeyance pending further Board order.
2. This decision is effective on its service date.

By the Board, Allison C. Davis, Acting Director, Office of Proceedings.